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Disposition of Resorts Acquired Under the Boundary Waters Canoe Area Wilderness Legislation (Public Law 95-495)

A. Earl Niewald
District Ranger
Gunflint Ranger District
Superior National Forest

February 20, 1980

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DISPOSITION OF RESORTS
ACQUIRED UNDER PL 95-495

I. Introduction

1. The Law

The Boundary Waters Canoe Area Wilderness (BWCA) legislation (Public Law 95-495) was passed by Congress in October 1978. The Act requires the U.S. Government to purchase certain properties at the request of the owner. This is covered in Sec. 5(a) which states: "The owner of a resort in commercial operation during 1975, 1976 or 1977 and located on land riparian to any of the lakes listed below may require purchase of that resort, including land and buildings appurtenant thereto, by written notice to the Secretary prior to Sept. 30, 1985. The value of such resort for purposes of such sale shall be based upon its fair market value as of July 1, 1978, or as of the date of said written notice, whichever is greater, without regard to restrictions imposed by this Act. An owner requiring purchase of a resort under this provision may elect to retain one or more appropriate buildings and lands not exceeding three acres, for personal use as a residence: provided, that the purchase price to the Government for a resort shall be reduced by the fair market value of such buildings and lands, with the same valuation procedures outlined above."

The purpose of this section of the law was intended to insure the owners of resorts on lakes with motor restrictions from loss of value of their property. Resorts on the named lakes depend largly on fishermen as customers. Elimination of outboard motors or reduction in allowable size of motors could adversly affect their business.

An early problem was defining a resort for the purpose of the law. A working definition was developed using Chapter 157 of the Minnesota Statutes as a guide. The working definition is as follows:

Resort - Any building or structure of a permanent nature located on, or on property riparian to any lake or stream defined in section 5(a) Public Law 95-495 utilized for commercial profit purposes of providing convenient access thereto, kept, used, maintained, or advertised as, or held out to the public to be a

building or structure for sleeping accommodations furnished to the public, and primarily to those seeking recreation, for periods of one day or more, and having for rent 5 or more cottages or rooms.

2. Purpose of Report

Saganaga Lake was included in Section 5(a) of the legislation. Boat motors were limited to a maximum of 25 horsepower. Before the legislation, horespower was not limited.

Owners of five resorts on Saganaga Lake have requested the Government to purchase their properties. Of the five properties offered, three are typical resorts, one a youth camp and another a canoe outfitter. All meet the definition of a resort.

The owner of the youth camp has declined the offer made for the property. The property will not be considered in this report.

The purpose of this report is to determine what should be done with the properties after they are acquired. Several options are open which need to be considered.

3. The Area

Saganaga Lake is a large lake on the Canadian Border, with the American portion largely in the BWCA. The total size of the lake is 13,994 acres. Of this, 6794 acres are on the American side, and 7200 acres is in Canada. The Canadian side has four resorts and about sixty summer homes located along its shores. The only access to the Canadian properties is by water from the American side. The area in which the resorts are located is about 58 miles from Grand Marais, MN. The only access to the area is by the Gunflint Trail, a black top County Highway. The area is well developed with a number of summer homes and businesses. It is a major entry point into the BWCA and Ontario's Quetico Provincial Park.

The properties are probably not being offered to the Government as a direct adverse impact of the legislation. The youth camp is a marginal operation. Two resort owners are retirement age and are taking advantage of the opportunity to sell their property to a ready buyer. One resort may have suffered some business loss but they have also had a desire to sell their property. The law should not have affected the outfitter.

4. Description of Properties

A. Chik-Wauk Lodge

Chik-Wauk Lodge dates back to about 1931. The present owner purchased the resort in 1957. Property size is 49 acres with about 7500 ft. of shoreline on Saganaga Lake. The resort has

been operated during the summer season only.

Besides cabin rentals, there is a marina and boat storage facilities. In the past the owner has also run a small canoe outfitting business from the resort facilities.

The resort consists of 15 single unit rental cabins, and assorted service and auxiliary buildings. One cabin is winterized, the others are suitable for summer use only. All cabins have electricity, running water and septic systems. All the cabins have kitchen facilities. The cabins range in size from 274 sq. ft. to 768 sq. ft. Combined capacity of the cabins is 50 people. The cabins are mostly older frame or log buildings of basic, inexpensive construction with few frills. Most are in fair to good condition.

The main lodge building is of granite and concrete construction. It is of good quality and is in very good condition. The lodge has a modern, well equipped kitchen.

Other buildings on the resort include a laundry, office, boathouse, three utilities buildings, three staff quarters, outfitting building and sauna.

Water used for the resort is taken from the lake and treated. Only the winterized cabin is served by a well.

One acre of land including the main lodge is being reserved by the owner for a twenty year period. The reservation includes 200 feet of shoreline.

B. End of the Trail Resort

End of the Trail Resort is situated on 22.6 acres with 815 feet of shoreline on Saganaga Lake. The resort consists of sixteen rental units, dining room, a lodge and office building, plus several staff and auxiliary buildings. The resort is equipped to operate on the American Plan. The rental units do not contain kitchen facilities. None of the rental buildings are winterized.

All of the rental cabins are modern with running water and gas heat. The resort has eleven separate septic systems. The cabins range in size from 272 sq. ft. to 736 sq. ft. Combined capacity of the cabins is 51 people.

The first improvements were constructed in 1935. Four of the buildings are of full log construction, the rest are frame construction. The improvements have been well maintained and are in good to excellent condition.

The combined office and lodge contain 1520 square feet of floor space while the dining hall has 1775 sq. ft. The owners home is completely winterized and uses well water. The remaining water used by the resort is treated lake water.

Other buildings on the property are four crew cabins and a crew dormitory, laundry and washrooms, storage shed, tool shop, power house, pumphouse and fish cleaning shed.

C. Kirk's Landing

Kirk's Landing is a small resort situated on 9.25 acres with 890 feet of frontage on the Seagull River. Seagull River runs into Saganaga Lake about one mile north of the resort. The river provides boat access to the big lake.

The owner has used the property for 50 years as a base for guiding fishermen, providing supplies and bait and renting house keeping cabins to tourists. The owner lives on the property year round but the resort has been run as a summer business.

The improvements include a dwelling of 693 sq. ft. completely winterized. There are 3 rental cabins ranging in size from 437 sq. ft. to 588 sq. ft. All of the cabins have kitchen facilities and running water, which is treated river water. The cabins are not winterized. The three cabins have a total of 5 bedrooms. Each building has a separate septic system.

There are seven other buildings consisting of 3 storage sheds, motor shed, tool shed, pump house and bait house. The house and cabins are in good condition, the auxiliary buildings range from good to poor.

D. North Point Outfitters

North Point Outfitters is situated on 17.5 acres of land with 2,600 feet of frontage on the Seagull River. The business was started in 1973 and has operated as a canoe outfitters since. The business does classify as a resort under the working definition.

All of the improvements were constructed between 1972 and 1977. The improvements consist of a complex of a dwelling, an office and a trail building for supplies. They are arranged in a U shape, connected with a wooden deck. The three buildings are of identical size containing 693 sq. feet each. In addition there are four bunk houses varied somewhat in size, a screen house for serving meals to campers and a laundry shed. The bunk houses are used to accomodate parties for one night as they prepare to leave for a canoe trip or are returning.

None of the buildings are winterized. Water is pumped from the river and treated. Human wastes are treated with a septic system, grey water is pumped away from the shore onto a leach field.

The buildings are all fairly new and in good condition. Although of somewhat minimal construction, with proper maintenance the buildings could be expected to last indefinately.

There is also one older log cabin on the north end of this property. This along with 150 ft. of frontage will be retained by the owner in a life estate.

II. Affected Environment

1. Physical

A. Water Quality

The water quality of Saganaga Lake is good. The watersheds in the BWCA have been tested and classified. Saganaga is classified as a very insensitive lake. This is primarily because of the high volume of water and large flush rate.

The maintenance of high water quality in the BWCA is of major importance. Therefore even though the lake is classed as insensitive it is still very important that large quantities of nutrients do not enter the lake. Human waste is the primary source of nutrients.

The four resorts being considered all have soil absorption sewage systems. A functioning system is essential in considering the continued use of the resorts.

B. Visual Quality

The south tip of Saganaga Lake (which is mostly outside the BWCA) is well developed. Besides the resorts considered there are a number of outfitters, stores, marinas, two campgrounds and numerous summer homes. The four resorts are intermingled with all the other businesses and summer homes. The resorts are typical of the area and are not a major distraction of the visual quality.

C. Fish and Wildlife

Saganaga Lake has the reputation of an excellent fishing lake. While it contains a number of species of fish in varying abundance, it is best known for its walleye fishing. The largest walleye on record in Minnesota was caught in the

lake in 1979. Three of the four resorts cater primarily to fishermen. Due to the size and productivity of the lake and the other nearby lakes with access from Saganaga, the fishing resource is well able to handle the pressure from the resorts and from the other fishermen.

The resorts themselves have little affect on wildlife habitiat or populations. They are within the range of the Eastern Timber Wolf and the Bald Eagle, both endangered species. Due to the degree of development in the area the presence of the resorts make little difference as both species stay clear of man and his activities. The increased use of motors on the lake resulting from resort guests may have some impact on eagles.

D. Soil

The soil in the area is mapped as Unit 30 - T01M1 - Sandy Loam. The soil is suited for most intensive recreation activities, however it has limited potentail for soil absorption fields or pit toilets.

E. Vegetation

The overstory vegetation in the area is mostly mature or over mature Jack Pine, Aspen and Balsam Fir. Site index is generally low with much of the area below SI 50. There is a fair amount of mortality occuring because of age.

2. Social

A. Discontinuance of Provided Services.

The resorts have provided a service to the public for many years. All the resorts have built up a clientele over the years. Many of the customers return year after year. The primary attraction at each of the resorts is fishing in Saganaga Lake and other nearby lakes in the BWCA and in Canada. Saganaga and surrounding lakes have a reputation for excellent fishing. Other attractions are boating, canoeing and viewing the scenery.

End of the Trail Resort which offers only the American Plan is more expensive than the others with rates in 1979 ranging from $42 to $49 per person, per day. The other two offer cabins on the European Plan from $120 per week for a two person cabin to $190 per week for a 6 person cabin.

If the resorts go out of business, there will be no overnight accomodations on the American side of Saganaga Lake. The recreationist who wishes to stay at a resort and fish the area

can find several resorts within a few miles of Saganaga and there are four small resorts on the Canadian side of the lake. None will have the convenience of the present operations.

The resorts provided services to the public who were not guests of their resorts. Items such as gas, bait, fishing supplies, meals, boat storage, tow boat service etc. will still be available at other businesses on the lake.

All the resorts provided guide service. End of the Trail had the most guided parties and there were several guides employed at the resort. Some of the guides may continue to work independently, but an assumption can be made that there will not be as many qualified guides available to serve the public when the resorts go out of business.

North Point Outfitters provided a service to people wishing to take canoe trips in the BWCA and Quetico Provincial Park. This business was aimed primarily at families and small groups. There are four other outfitters on Saganaga Lake and several others within the area which can provide the services which North Point was offering.

B. Visitor Impacts on Wilderness.

Over 95% of the American side of Saganaga Lake is in the BWCA, a part of the National Wilderness System. The small part of the lake outside the Wilderness on the American side is highly developed. The Canadian side is also developed with four resorts and approximately 60 summer homes.

The psrt of the Lake within the Wilderness has a 25 HP restriction on motors. Motors are unrestricted outside the wilderness on both the American and Canadian side. It is obvious that even though the lake is within the wilderness system, the management is far from true wilderness.

Motor use on Saganaga in the BWCA is on a quota system. The intent of PL 95-495 was to keep the level of motor use at or below the level of the years just previous to the legislation. The law does exclude resort guests and property owners riparian to the lake from the quota.

The elimination of the resorts would reduce the motor use on Saganaga Lake. The effect of the reduction on the wilderness experiance of the BWCA user is hard to measure.

The resort guests are all most exclusively day users of the lake. Use of campsites by resort guests within the BWCA is mostly for shore lunches. There are adequate sites available and there has been no problem with providing for this use.

3. Economic

A. Property Taxes

Over 90% of Cook County is in public ownership. County residents and officials are very concerned that Government aquisition of land will further erode the small tax base.

The property taxes for 1979 on the resort properties are as follows:

End of the Trail	$1840.14
Chik Wauk Lodge	$3146.80
Kirk's Landing	$ 463.62
North Point Outfitters	$1088.92
Total	$6539.48

If all the properties which total 91 acres went into Government ownership, the payment in Liew of Taxes to the County would be $68.25.

Under Minnesota law counties can tax the land and improvements of property leased from the Government to private individuals. This gives a double benefit to the county when National Forest lands are under permit for summer homes or resorts. The county receives 25% of the permit fee received by the Government as well as receiving property tax from the permittee.

B. Local Economy and Employment

The four businesses are all managed by the owners. In addition to the family members the four businesses employ about 20 seasonal people. The four businesses generated a combined income of about $300,000 in 1978 although the exact figures are not available.

The Minnesota Extension Service uses a multiplier affect of 2.22 for the resort business. This figure is used for employment and money into the local economy. Using this approach, the four resorts provide 44 seasonal jobs and add $666,000 into the local economy. Much of the adverse impact would be felt in the town of Grand Marais which is the principal supplier of the area.

C. Affects on Neighboring Businesses

It could be assumed that the elimination of resort business in an area would help the remaining resorts, as the prospective customers would seek out other opportunities at

neighboring resorts.

Work performed by the Minnesota Extension Service indicates that usually the opposite is true. They use the term, critical mass, which means the number of businesses clustered in an area needed to make it a viable tourism center.

It has been found that tourists enjoy going to an area where there are options available. Also as businesses decrease, there is not enough strenght in advertising and promoting an area. It has been found when businesses decreased in an area the remaining businesses often suffer a loss of income.

The critical mass is also important in providing services to resorts. A certain volume of business is needed to provide deliveries of food, fuel, bait etc. Utility rates can also be affected by a reduction of users. This is especially true of a small REA Cooperative with limited customers and many miles of lines to maintain such as is the case in this area.

D. Demand

The information on demand was derived from discussions with members of the Minnesota Tourism Dept., Minnesota Extension Service, and Arrowhead Regional Development Commission.

The overall projection for tourism in Minnesota is continued growth. The competition for the tourist dollar will become more intense.

Overall the past few years have been tough on the small resort business in Minnesota. The attrition of resorts in the state has been 4% per year for the past 15 years. The failures are primarily in the small resorts. The small "Mom & Pop" resort which offers limited activities, is no longer able to compete.

All felt that Northeastern Minnesota and the Gunflint Trail area in particular has excellent potential to compete for the tourist business but it will take a better job of promotion and a widening of the activities offered.

The effects of energy shortages and costs are still an unknown, although the resorts felt the adverse effects of gas shortages in 1979. There is some speculation that the destination trip will become more popular which may increase the demand for resort accomodations. There is also the possibility that package vacations including transportation could be promoted and sold to the public. To take advantage of the potential opportunities, resorts will have to broaden their activities to appeal to the entire family.

Resorts which rely on one activity such as fishing, will probably have a harder time competing.

The demand for outfitting service has grown slowly over the years. While more people are taking canoe trips, a large percentage use their own equipment. The number of outfitters has remained fairly constant over the past few years, although there has been some attrition and turnover of small operations. The future of the outfitting industry remains stable but this does not appear to be a great deal of growth.

The number of visitors in the BWCA and Quetico are controlled through a quota system. There are usually permits available in the BWCA. In 1979 the Saganaga entry point quota was reached on only two days during the season. Competition for Quetico permits is more keen. Availability of permits is not a limiting factor in the business today in the Gunflint area, nor does it appear it will be in the near future.

4. Political

During the entire BWCA debate leading to the passage of PL 95-495, there was polorization of the public. This was split between the environmentalists who wanted a "pure" wilderness, and those who favored a more liberal interpretation of wilderness, commonly called Multiple Use Advocates. This split is not unique to this area, but is found throughout the county where wilderness is an issue.

It can be assumed that the two factions will react to the use of the resort properties in a given way. The Multiple Use proponents will be interested in keeping the properties in use which will help the economy and provide services to those who wish to use motors.

The "Environmentalists" would rather the businesses be eliminated and the properties be put back in a more natural state. By doing this there would be a reduction in motors on Saganaga Lake and the area would be a little closer to their concept of wilderness.

No matter which way the decision on the properties go, there will probably be a political outcry. A careful reading of the Act and the legislative history indicates the only reason for the resort buy out is for the protection of the resort owners from falling property values as a result of the legislation. The reduction of use of motors, which would probably occur is not addressed. This is handled through the establishment of quotas for motor use.

III. Evaluation Criteria

Evaluation of the alternatives will be measured by how well they meet the following criteria.

1. Federal laws and Forest Service policy will be complied with.

2. Public health and safety conditions are met or can be corrected.

   A. State fire codes

   B. State and EPA regulations governing drinking water

   C. County, State and Federal regulations governing sewage disposal

3. Public demand for services

4. Economic feasibility

   A. Potential for Income

   B. Condition of Improvements

5. Economic Impact to the Community

   A. County tax base

   B. Impact on local economy

6. Cost to U.S. Government

   A. Administrative costs

   B. Development costs

IV. Alternatives

The following alternatives are considered for the four properties.

1. Issue permit to operate as a resort or outfitter. This alternative would result in the Forest Service issuing a term permit for the purpose of operating a commercial business. The permit would be awarded on a bid basis. The permit would be issued under authority of the Granger - Thye Act. This provides for a part of the fee to be used in heavy maintenance or capital improvements. Improvements could also be made at Government expense.

2. Issue permit to non profit organization to use as a camp or outfitters. Conditions would be similiar to alternative one except the permit could be negotiated instead of bid and the fee may be smaller. Facilities could be used for programs for physically or economically disadvantaged.

3. Retain for Forest Service Administrative use. The improvements could be used for housing a YCC or YACC program. Other uses could be bunk House for Forest Service Crews, permit issuing Station or guard station.

4. Exchange for other lands. Due to the high value of the lands it may be difficult to find a party with trading stock that would have enough value and fit into the National Forest System. One exception is Cook County which ownes a sizeable acreage in the BWCA.

5. Sell or lease lands for recreation residences. Subdivide property and make it available to the public for summer home use.

6. Remove the improvements and rehabilitate the sites. Improvements could be removed through sale or by the Forest Service. Sites could then be put back into a natural appearing condition. Sites could also be used for boat access, campgrounds, parking areas etc. if there is a need in the future.

IV. Evaluation of Alternatives

Alternative five, "Sell lands or lease lands for recreational residence" does not conform to present Federal laws or Forest Service policy. Lands in the National Forest System can be sold only under certain conditions which are not met in this case. National policy no longer allows for the establishment of recreation residence permits. Since alternative five is not a viable alternative, it will not be addressed in the evaluation process.

The fire safety regulations for resorts have recently been changed which will affect each resort prior to its opening for another season. This includes such things as smoke alarms, fire extinguishers, sprinkle systems for kitchens etc. It is estimated that it will cost about $100 per cabin, and $1,000 per kitchen to comply.

The water system for all the resorts use treated lake water. The Minnesota Public Health Department which regularly checks the systems, reports that all the resorts are in compliance with State regulations.

The sewage systems are the most difficult to evaluate. All use soil absorption systems. The state of Minnesota now has regulations which govern sewage systems. The systems at all the resorts were installed prior to exsisting regulations and were "grandfathered" in. The Minnesota Department of Health visually inspects the systems each season. They require corrective action if there is an obvious failure of the system. There are other options for the disposal of human wastes. The outdoor toilet with a sealed vault would meet pollution requirements but us not acceptable to many resort guests. Burn out toilets on the market today show promise, but have not been used much in resort settings.

Besides human wastes, provisions are needed for the disposal of grey water. This can usually be handled with less of a problem.

1. Issue permit to operate as a resort or outfitters.

   A. Chik Wauk. The resort which has been in business for nearly fifty years, had its best years in the fifties and early sixties. The highest gross income was in 1966 when the resort took in $76,000. In 1978 gross receipts were $53,000. According to the owner the decreasing business had two causes. First, the overall decline in the use of small fishing resorts which was felt State wide, and secondly, less promoting of the business due to poor health of the owner.

   To build the business back up would require some changes in operation to meet changing demands and would take a good promotion campaign. The cost to winterize and operate year round would be prohibitive.

   Most of the improvements are in only fair condition and maintenance cost would be high. Officials of the Public Health Department report the septic systems are marginal and there have been failures in the past. The present owner confirms this and feels that continued operation of the resort would require a major upgrading of the systems. It is doubtful that the income from the resort would provide money to bring the improvements up to standard and provide a profit for the operator.

   Another alternative would be for the Government to upgrade the resort. Money used for this would come from funds appropriated for Forest Service recreation management, and would be at the expense of other recreation projects. In a time of tight budgets this would be a questionable use of Forest Service funds.

   The continuation of the resort could bring a moderate amount of money into the area and provide several part time jobs. County taxes would probably be significantly less than they are now as much of the present taxes are for shoreline rather than improvements. Most of the shoreline would be included in a use permit. NOT

   The present owner has reserved the lodge and a small acreage for 20 years. This is actually the "heart"of the resort.

   B. End of the Trail

   The End of the Trail resort is the best known and has the best reputation of the resorts on Saganaga Lake.

The gross income for the resort was $146,308 in 1976, $158,899 in 1977 and $169,985 in 1978. The resort operates entirely on the American Plan. Officials of Minnesota Tourism and Minnesota Extension feel that a resort operating on the American Plan has a much greater chance of showing a profit than those on the European Plan.

Members of the Minnesota Extension, Minnesota Tourism, nearby resort owners, and the former owner of the resort have expressed the opinion that the resort could be run as a profitable organization.

The resort buildings are in good condition. Minnesota Dept. of Health inspections show no record of failures with the septic systems. However the location, soils and age of the systems make them suspect. Experience in installing septic systems in similiar areas show the costs to be around $5,000 per unit.

If there are no immediate failures, the systems could be upgraded over a number of years by the permittee in liew of part of the fee. If the need is more immediate it may require Government funds which would come from the Forest recreation management budget.

The operation of the resort would continue to provide seasonal employment to 15 - 20 people and would bring a significant amount of money into the local area.

C. Kirk's Landing

The income of the resort is not available. However the recent appraisal of the property indicates a maximum gross income potential of $21,000 per year. The attrition rate of this size resort is very high as there is not enough income to maintain the operation and show a profit.

Demand for this type of operation has dropped in recent years.

The impact on employment would be slight as the owners did not employ additional help.

D. North Point Outfitters

Income figures for the outfitters are not available. Based on permit data, Northpoint was the smallest of the four commercial outfitters on Saganaga Lake, issuing about 13% of the permits. The owner of the outfitters said he had to sell out o. make an all out effort to increase business as the present volume of business was not profitable. He chose to offer the property to the Government when the opportunity arose.

Outfitters can expand their business much easier than resorts as there is much less need for investment in buildings and facilities. The opportunity does exist to make a profitable operation of the outfitters if it is properly managed and promoted. There are enough outfitters on the lake and in the area to provide for the demand. A permit to operate as an outfitters to a private business would be viewed by many as unfair competition to existing businesses. This may be a valid concern as a person could enter the business with no investment in property and buildings. Their only expense would be a fee.

Since North Point Outfitters is a fairly new establishment, and the facilities are of simple design, the upkeep costs would be moderate. The sewage system was approved by the Cook County Sanitarian at the time of construction. The system may not meet State regulations which have become more rigid since the time of construction.

2. Issue permit to a non profit organization for use in their programs.

A number of non profit organizations have programs which use the BWCA and surrounding area. Several have facilities within the area. At the present, one organization, The Himalayan Institute of Yoga, has asked about using the facilities. If word was spread that the sites may be available there would probably be additional inquiries.

The problems of building maintenance and sewage disposal would be the same as discussed previuosly. Up keep could be a greater problem as often these organizations are on a limited budget. The use of Government funds would again have to be evaluated against other recreation management needs.

There is a degree of resentment from local business people and county residents against such groups. Some of the organizations have expanded their programs where local outfitters and resorts feel they are competing for the same business. They also are competing for a fixed quota of BWCA permits. There is also resentment that often these organizations are tax exempt. These operations do bring money into the area however, and the sentiment is "Their use of the sites would be better than no use."

If an organization did use the facilities it would be for a jumping off point for use of the Wilderness. None of the resorts have provided, or have opportunity to develop much standard camp facilities as swimming beaches, ball fields, tennis courts etc.

3. Retain improvements for Administrative use of Forest Service

Using the facilities for a YCC Camp has been considered. Presently a residential YCC camp is contracted on Sea Gull Lake a couple of miles from the property. The use of a contract is much more cost effective than maintaining and operating a camp.

A residentail YACC Camp would require winterized facilities. Up grading any of the properties to year round use would be very expensive. The location for a year round camp would not be efficient as the distance to winter work sites would be too great.

Seagull guard station is a Forest Service facility located on the Gunflint Trail about seven miles from the resort area. It is used during the snow free season as a base for fire and recreation personnel. The guard station is centraly located to serve the Saganaga Lake - Seagull Lake area and the Round Lake - Gunflint Lake area. The guard station serves as a contact for the public for reporting fires, receiving information and some permit issuance.

Due to its central location and access to the public it is best suited to handle the needs of the area. Facilities include a dwelling for the Technician in charge and a house trailer and bunk house for housing Wilderness and other project crews. The BWCA crew working on Saganaga Lake usually spends nights at the guard station. There would be an advantage for this crew to stay on the lake. It would save travel time and fuel in the daily commuting. With the reduction in energy use mandated by the Government, it is probable that housing crews in the field will become more common. The bunk house at the guard station is a relic from an old CCC camp and is in poor condition.

Retaining crew quarters at one of the properties could provide a better location and a more comfortable facility in better condition. Cost of maintenance would be offset by increased efficiency.

4. Exchange properties to County for lands in the BWCA.

The combined value of the resorts is $1,372,500. Due to the high value the only likely parties with trading stock are the County or State. The State of Minnesota has not expressed an interest in a land exchange. Members of the Cook County Board of Commissioners have indicated an interest in acquiring the properties through land exchange.

The County presently owns several thousand acres within the BWCA. An exchange could be mutually beneficial by giving the County lands which could provide revenue, and by consolidating of Federal ownership in the BWCA.

Since the contacts with the County have only been preliminary and informal, County officials have not determined a use for the lands if they were acquired. Uses considered are, leasing as a business, sub dividing and leasing cabins or land for cabin construction and development of needed access and parking facilities. State law prohibits the County from selling lake shore property.

If the County acquires the property, any development would have to conform to Cook County zoning ordinance, Minnesota Shoreland Management Ordinance and Minnesota Pollution Control Agency regulations on water and sewage disposal.

A part of Northpoint Outfitters including most of the improvements are within the boundaries of the BWCA. Forest Service Policy would not allow the exchange of lands that are within the boundaries of a part of the Wilderness System.

In an exchange, the reserved rights of the owner of Chik Wauk would need to be considered.

The cost to the Government for an exchange would be initially be fairly high. After the completion the administrative costs would be very low.

5. Sell lands or lease lands for summer home use.

These options do not conform with present Federal laws or Forest Service Policy.

6. Remove improvements and rehabilitate the sites.

From an administrative standpoint this would be the least expensive and have the least impact. Once the job was completed administration of the lands would be simple.

There would be less impact on the physical environment under this alternative. There would be less possibility of pollution of the waters, less visual impact and probably some reduction of motors in the Wilderness.

The alternative would not provide services to the recreation public, it would not help the local economy or the County tax base.

EVALUATION OF ALTERNATIVES
CHIK WAUK RESORT

ALTERNATIVES

Evaluation Criteria	Permit to operate as business	Permit for non profit organization	Return for administrative use	Land Exchange	Remove Improvements Rehabilitate Site	
Conformance with Fed. law and Forest Service Policy	Conforms	Conforms	Conforms	Conforms	Conforms	
Acceptable public health & safety conditions	Low	Low	Mod	Dependent on use of property after exchange is made	High	
Meets a public need	Mod	Low-Mod	Low	"	Low	
Economic Feasibility	Low	Low	Benefit cost to Gov't. Low	"	N/A	
Local Economic Impact	Mod	Low-Mod	Low	"	Low	
Avoidance of High Administrative impacts & costs	Low	Low	Mod	Initial Mod then High	Initial Low then High	

EVALUATION OF ALTERNATIVES
END OF THE TRAIL RESORT

	ALTERNATIVES					
Evaluation Criteria	Permit to operate as business	Permit for non profit organization	Return for Administrative use	Land Exchange	Remove Improvements Rehabilitate Site	
Conformance with Fed. law and Forest Service policy	Conforms	Conforms	Conforms	Conforms	Conforms	
Acceptable public health & safety conditions	Mod	Mod	Mod	Dependent on use of property after exchange is made	High	
Meets a public need	Mod-High	Low-Mod	Low	"	Low	
Economic Feasibility	Mod-High	Low-Mod	Benefit/cost to Gov't. Mod	"	N/A	
Local Economic Impact	High	Low-Mod	Low	"	Low	
Avoidance of High Administrative impacts & costs	Low	Low	Mod	Initial Mod then High	Initial Low then High	

EVALUATION OF ALTERNATIVES
KIRK'S LANDING

Evaluation Criteria	ALTERNATIVES: Permit to operate as business	Permit for non profit organization	Return administrative use	Land Exchange	Remove Improvements Rehabilitate Site	
Conformance with Fed. law and Forest Service Policy	Conforms	Conforms	Conforms	Conforms	Conforms	
Acceptable public health & safety conditions	Mod	Mod	Mod-High	Dependent on use of property after exchange is made	High	
Meets a public need	Low-Mod	Low	Low	"	Low	
Economic Feasibility	Low	Low	Benefit cost to Gov't. Mod-High	"	N/A	
Local Economic Impact	Low	Low	Low	"	Low	
Avoidance of High Administrative impacts & costs	Low	Low	Mod	Initial Mod then High	Initial Low then High	

EVALUATION OF ALTERNATIVES
NORTHPOINT OUTFITTERS

ALTERNATIVES

Evaluation Criteria	Permit to operate as business	Permit for non profit organization	Return for Administrative use	Land Exchange	Remove Improvements Rehabilitate Site	
Conformance with Fed. law and Forest Service Policy	Conforms	Conforms	Conforms	Does not conform to policy	Conforms	
Acceptable public health & safety conditions	Mod-High	Mod-High	High	Dependant on use of property after exchange is made	High	
Meets a public need	Low-Mod	moderate	Low	"	Low	
Economic Feasibility	Low-Mod	moderate	Benefit/cost to Gov't. High	"	N/A	
Local Economic Impact	Low-Mod	moderate	Low	"	Low	
Avoidance of High Administrative impacts and costs	Low	Low	Mod-High	Initial Mod then High	Initial Low then High	

VI. Preferred Alternative

At this time there is some information lacking which is needed for final selection of an alternative. The condition of septic systems are unknown and an evaluation cannot be made before the snow free season. A thorough inspection of conditions of buildings cannot be made at this time. The County has not determined their use of the lands if an exchange is made. Finally, there has been no formal Public Involvement in the process.

Based on existing information a preferred alternative has been selected for each property.

1. Chik Wauk

Although there is a moderate demand for this type of resort and continued operation could benefit the local economy, it is doubtful the resort could be run as a profitable business. The major problem being the condition of improvements and septic systems. Another complication is the reservation, by the owner, of the main lodge. The same factors would weigh against the use of the property by a non-profit organization.

Administrative use of some improvements would result in high cost of maintenance and a less than ideal location.

The preferred alternative is to remove the improvements and rehabilitate the site. This would result in a fairly high initial cost to the Government but would then result in low administrative costs. This alternative would also leave the option open for a land exchange with the county at a later date, or the development of facilities, such as a parking lot, for future public needs.

2. End of the Trail

The resort has a history of operating successfully. There is adequate demand to insure continued success under good management. The resort has a fairly high impact on the local economy. The continued operation as a resort would be desireable.

Administration and cost to the Government to operate the resort under permit could be high. The preferred alternative is an exchange with the County for continued use as a resort. County officials have expressed an interest in this proposal in preliminary talks.

If the preferred alternative is not attained the second alternative would be to seek interest in a lease under a Granger Thye permit. Prior to a final decision on this alternative a thorough examination of improvements and septic systems would be required to insure economic feasibility to the permittee and to the Government.

The property would not provide adequate recreation opportunities for an organization camp. It would be over developed for use as a base camp for wilderness trips. The cost of up keep would be prohibitive for the needed services.

The location is not as desireable as other options for administrative use.

3. Kirk's Landing

The size of this resort eliminates the alternative of continued use. It cannot be run as a profitable operation. Use by an organization camp would also be unprofitable as the administrative costs per camper would be high because of the small capacity.

The property is adequate for crew quarters for BWCA and fire crews but the Northpoint location would be better.

The preferred alternative is an exchange with the County for land and improvements. Since most of the improvements are in good condition it would be an advantage to the Government and probably to the County to include them in the exchange.

If an exchange is not made the improvements should be removed and the site rehabilitated.

4. North Point Outfitters

Since much of the land lies within the boundaries of the BWCA, the option of a land exchange is eliminated. The needs of public using the BWCA can adequately be met by other outfitters in the area, so there is no demonstrated need for the business to continue.

An organization camp could use the facilities for a base for wilderness canoe trips. The facilities are fairly new and of basic design which result in low maintenance costs. This alternative needs consideration if a good organization with a solid program comes forward. A program serving the disadvantaged may deserve special consideration.

The preferred alternative is to use the facilities for a base of operations for BWCA and fire crews. The location provides quick access to the lake. The recent construction and design of the buildings and septic systems should result in fairly low up keep costs. Buildings not needed would be disposed of.

The present owner is keeping a lifetime reservation on one cabin and a small parcel of land. This is located at the north end of the property and should not interfere with the use of the other improvements.

VII. Management Action Needed

While the preferred alternative has been selected for each property, a great deal remains to be done before the decisions can be made final and implemented.

The need for public involvement has been recognizezed and the Forest Public Information Officer is currently working with the District in developing an I & I plan. The alternatives considered and the preferred alternatives, need to be presented to the public for their reaction and imput.

Formal negotiations should be [illegible] with the Cook County Board of Commissioners. The Forest Service needs to know what lands they are willing to offer for trading stock, and what their plans would be for the lands they acquire. It is especially important to find if the County would lease End of the Trail Lodge for continued use as a resort.

A complete inspection of buildings and sewage systems is needed on any improvements that are being considered for administrative use or being placed under permit. This needs to be scheduled as early as possible during the coming snow free season. Specialists from engineering, recreation, soils and watershed should be involved.

In the selection of the preferred alternative the option of issuing a Granger Thye permit for End of the Trail and Northpoint Outfitters was left open as a second alternative. This would require a more in depth analysis after an inspection of the properties were made. If a determination was made to proceed, permit conditions and a prospectus would need to be developed.

A determination needs to be made on what improvements should be retained for administrative use.

A plan for disposing of unneeded buildings should be developed. Buildings should be sold when practical. Buildings with little or no value may require disposal by the Forest Service. Request authorization to dispose of buildings through GSA.

A rehabilitation plan for the areas need to be developed. Assistance of the Forest Landscape Architect should be requested.

Security measures will be needed until the final disposition of the improvements. Security could be provided by Forest Service employees, volunteers living on the sites, the County Sheriff or private security agencies.

A budget for the above actions must be developed and entered into the budgeting process. Manpower needs must be determined and planned for.

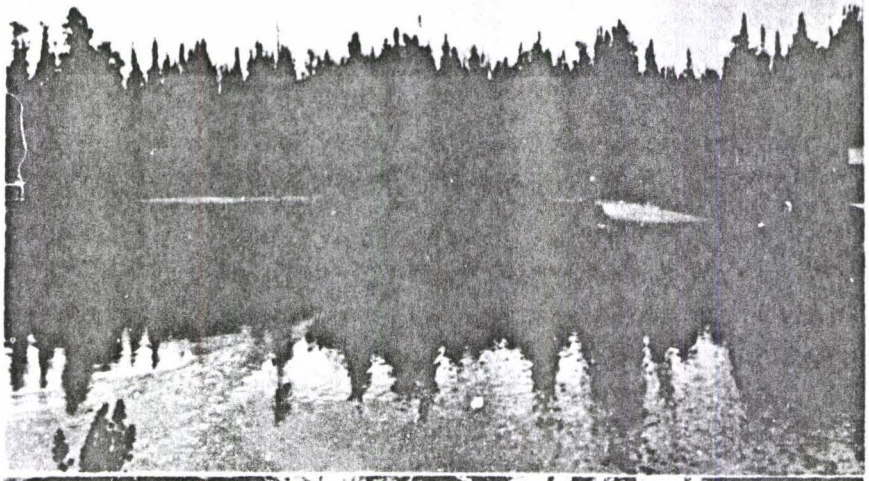
VIII. Consultation with others:

1. Persons

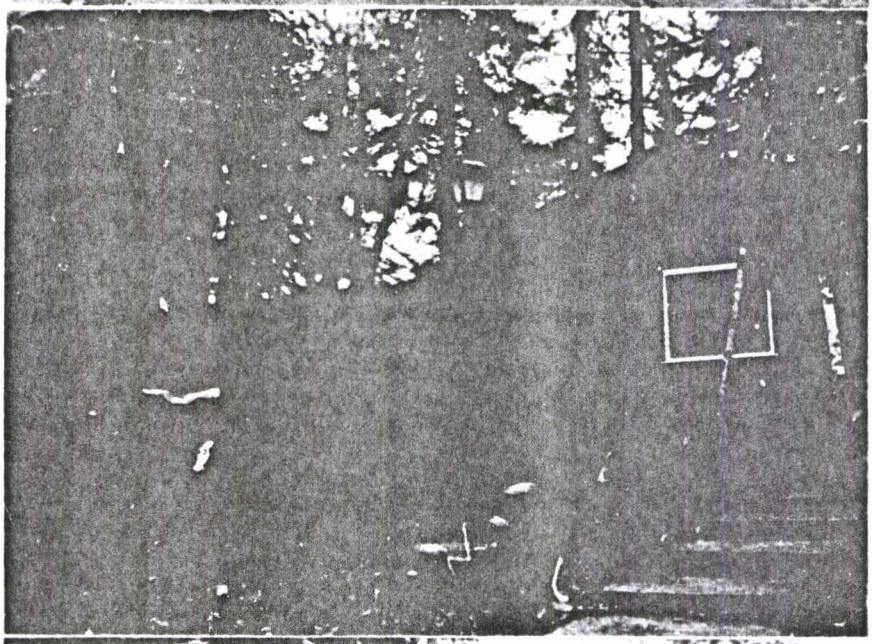
Dr. Euel Blank, Minnesota Extension Service
Dr. Larry Simonsen, Minnesota Extension Service
Dr. Henry Todd, Director Minnesota Tourism Dept.
Ed Brown, Minnesota Dept. of Health
Gene Jordan, Minnesota Dept. of Health
Steve Lachore, Cook County Sanitatian
Tim Kennedy, Cook County Planning & Zoning Officer
Frank Hanson, Commissioner, Cook County Board
Jim Thompson, Commissioner, Cook County Board
Justine Kerfoot, Member, Governors BWCA Advisory Comm.
Ralph Griffis, Owner Chik Wauk Lodge
Fred Zopff, Owner Northpoint Outfitters
Bruce Kerfoot, Local resort owner
Bill Douglas, Local outfitter
Robert Rehfeld, Forest Supervisor, SNF
Chuck Anderson, Recreation Staff Officer, SNF
Cliff Crosby, Lands Staff Officer, SNF
Al Groven, Forest Engineer, SNF
Don Prettyman, Soil Scientist, SNF
Paul Flood, Soil Scientist, SNF
Bonnie Dovenmuehle, Hydrologist, SNF
Wayne Ash, Supervisory Forester, Lands, SNF

2. Written Material

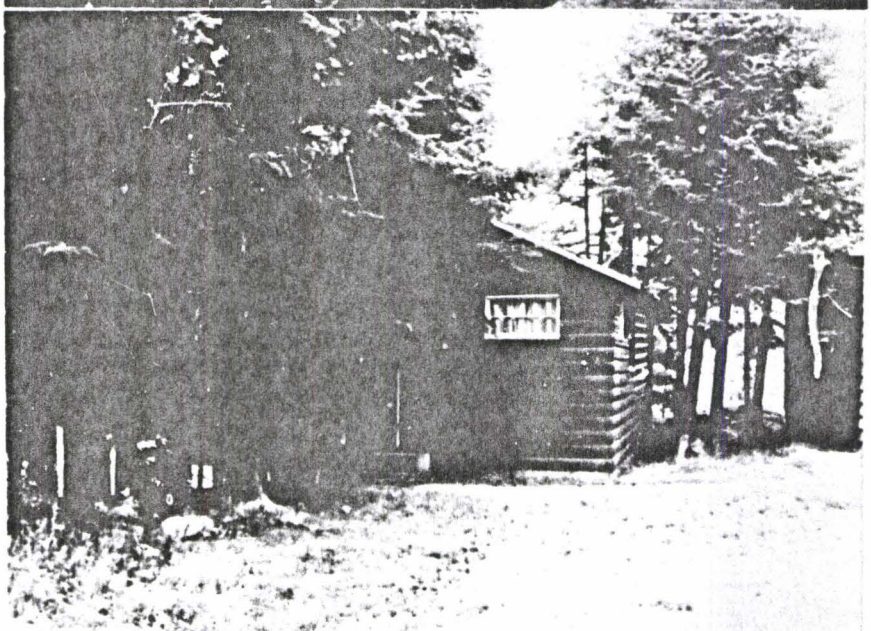
Public Law 95-495
Boundary Waters Canoe Area Management Plan
Legislative History of the Boundary Waters Canoe Area Wilderness.
Forest Service Manual Sec. 2700
Appraisal - End of the Trail Lodge, Douglas Fruen, MIA
Appraisal - Chik Wauk Lodge, Douglas Fruen, MIA
Appraisal - Kirk's Landing, C.B. Davis, MIA
Appraisal - North Point Outfitters, C.B. Davis, MIA
Minnesota Shoreland Management Regulations
Summary of BWCA Visitor use, 1977, 1978, 1979
Compartment Prescription, Comp. 16 Gunflint R.D.
Capacity Study, Travel zone 28, Gunflint R.D.
A Needs Assessment of Tourism Firms Serving the Boundary Waters Canoe Area Wilderness Vicinity, Minnesota Agriculture Extension Service.
Prospectus - Zephyr Cove Resort Operation
Forest Service USDA Lake Tahoe Basin Management Unit California Region



END OF THE TRAIL
Office-Lodge and
Docking Area

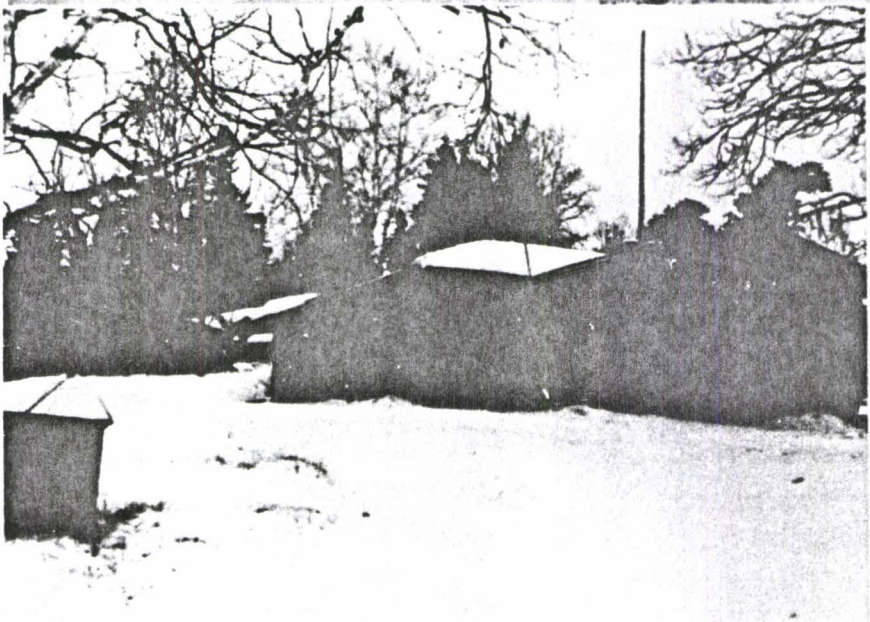


END OF THE TRAIL
Dining Room

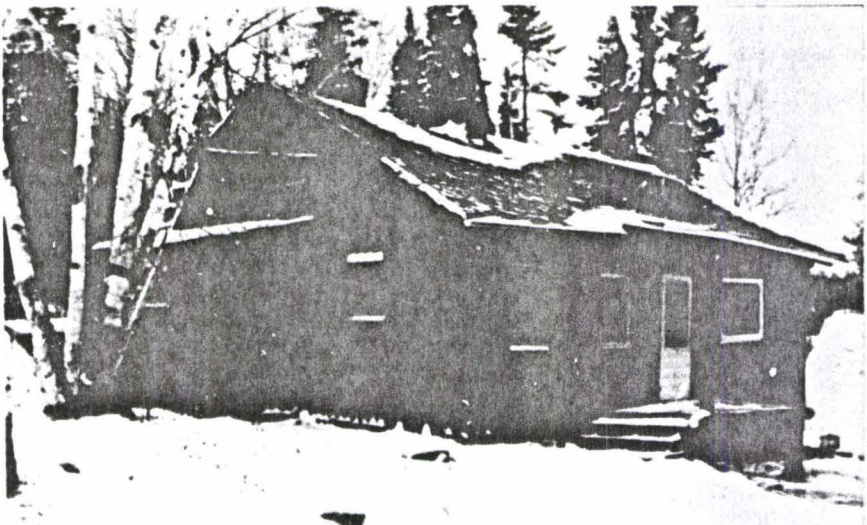


END OF THE TRAIL
Typical Cabin

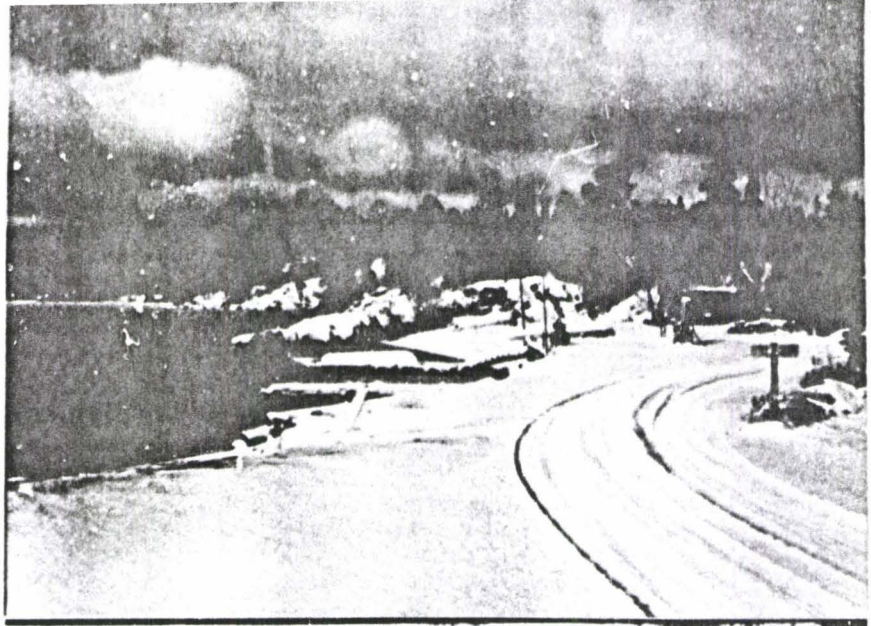
CHIK WAUK
Dock and Auxiliary Buildings



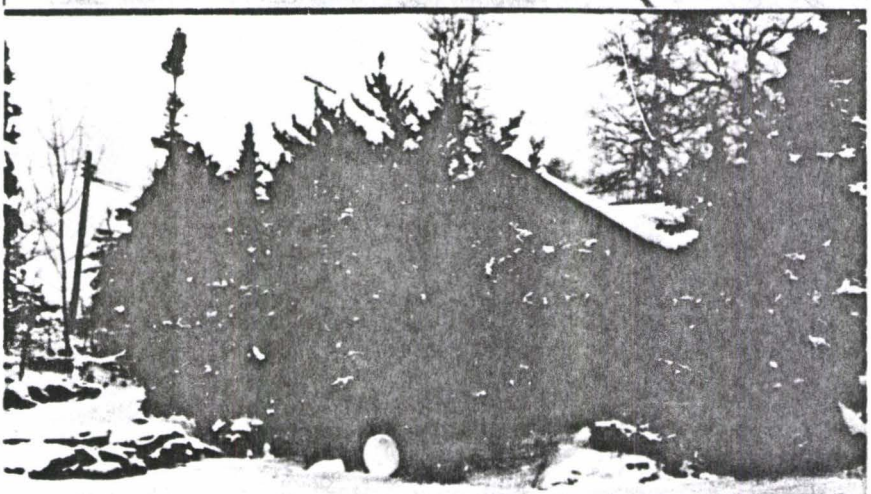
CHIK WAUK
Main Lodge



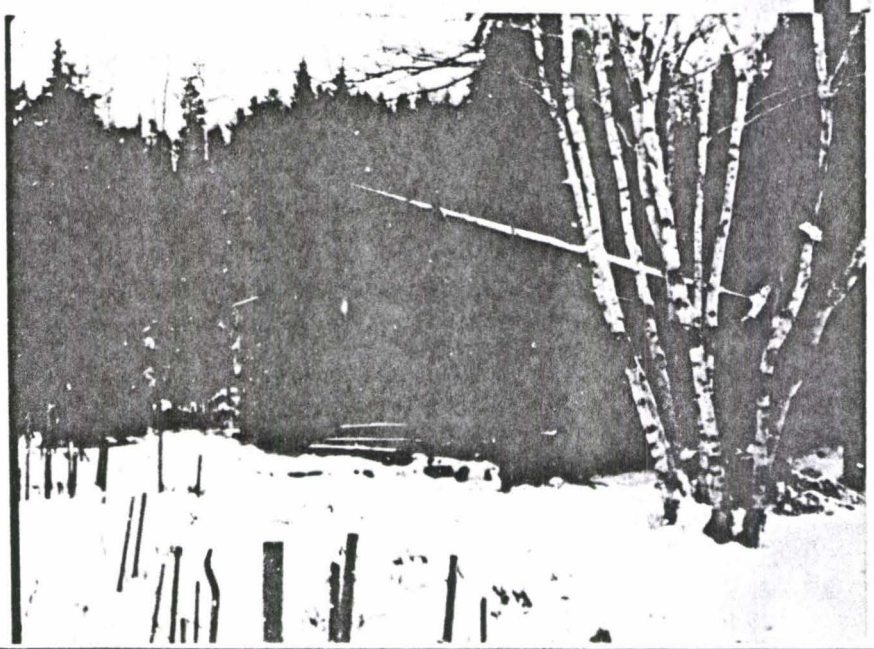
CHIK WAUK
Typical Cabin



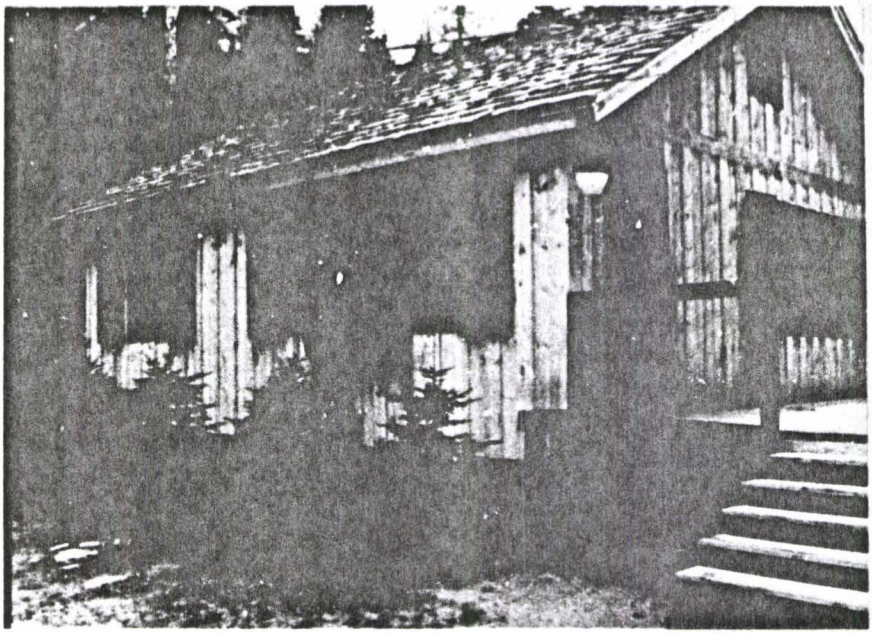
KIRK'S LANDING
Lake Front Area



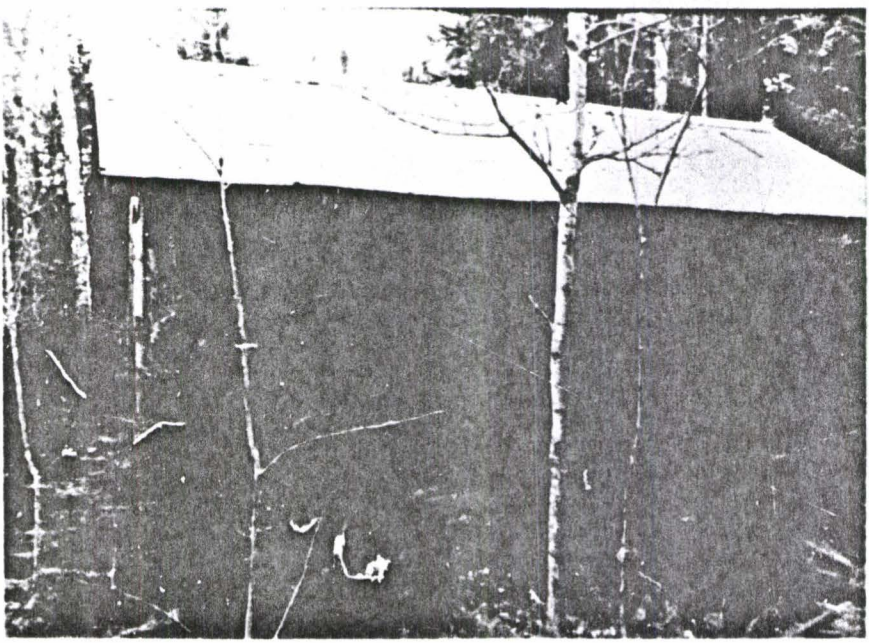
KIRK'S LANDING
Owner's Home



KIRK'S LANDING
Typical Cabin



NORTHPOINT
OUTFITTERS
Outfitting
Building



NORTHPOINT
OUTFITTERS
Typical Bunkhous